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SEP 07 1994

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15 Cross-Defendant CHURCH OF SCIENTOLOGY
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23 Attorneys for Defendants
24 GERALD ARMSTRONG and
25 GERALD ARMSTRONG CORPORATION

26 SUPERIOR COURT OF THE STATE OF CALIFORNIA

27 FOR THE COUNTY OF MARIN

28 CHURCH OF SCIENTOLOGY)
29 INTERNATIONAL, a California not-)
30 for-profit religious corporation,)
31 Plaintiffs,)

32 vs.)

33 GERALD ARMSTRONG, MICHAEL WALTON,)
34 et al.,)
35 Defendants.)

36 GERALD ARMSTRONG,)
37 Cross-Complainant,)

38 vs.)

39 CHURCH OF SCIENTOLOGY)
40 INTERNATIONAL, a California)

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HUB LAW OFFICES

CASE NO. 157 680
JOINT APPLICATION FOR
CONSOLIDATION

DATE: September 7, 1994
TIME: 9:30 a.m.
DEPT: 1

TRIAL DATE: Sept. 29, 1994

1 Corporation, DAVID MISCAVIGE,)
DOES 1 to 100,)
2 Cross-Defendant.)

3 _____)
4 Plaintiff, Church of Scientology International and
5 Defendants, Gerald Armstrong and Gerald Armstrong Corporation,
6 hereby jointly move the Court, pursuant to Code of Civil
7 Procedure Section 1048, for an order consolidating Church of
8 Scientology International v. Gerald Armstrong, bearing LASC
9 Number BC 052395, which has been ordered transferred to Marin
10 County Superior Court [Ex. A.] (hereinafter, "the Breach case"),
11 with this action for all purposes. The grounds for issuance of
12 this order are:

- 13 1. Once the transfer is complete, both actions will be
14 pending before this Court;
- 15 2. Both actions involve common questions of law and fact.
16 The parties in the Breach case are all parties to this action.
17 The Breach case alleges claims against Armstrong and the Gerald
18 Armstrong Corporation for breach of contract, seeking liquidated
19 and compensatory damages, and a permanent injunction. The case
20 presently before this Court seeks to invalidate transfers of
21 assets made by Armstrong to Michael Walton, the Gerald Armstrong
22 Corporation and others just prior to his long series of contract
23 breaches. In both cases, Armstrong alleges in defense that he
24 should not be held liable for breach of the contract because the
25 contract is not enforceable. Because of these interlocking
26 issues, the Los Angeles Court transferred the Breach case back to
27 Marin County; and
28 3. Consolidation will avoid unnecessary cost and delay.

1 4. Michael Walton, appearing in propria persona, was
2 notified of this application at 11:50 a.m. on September 6, 1994.

3 This motion is based on this Notice, the accompanying
4 Memorandum of Points and Authorities, the Stipulation and Order
5 of Transfer, the records and other documents on file in this
6 action, and on all other matters that may be adduced at the
7 hearing of this Motion.

8 Dated: September 7, 1994

Respectfully submitted,

9 WILSON, RYAN, & CAMPILONGO

10
11 BY: _____
Andrew H. Wilson

12 Laurie J. Bartilson
13 BOWLES & MOXON

14 Attorneys for Plaintiff
15 CHURCH OF SCIENTOLOGY
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15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 FOR THE COUNTY OF MARIN

17 CHURCH OF SCIENTOLOGY) CASE NO. 157 680
INTERNATIONAL, a California not-)
18 for-profit religious corporation,) MEMORANDUM OF POINTS AND
Plaintiffs,) AUTHORITIES IN SUPPORT OF
19 vs.) JOINT APPLICATION FOR
20) CONSOLIDATION

21 GERALD ARMSTRONG, MICHAEL WALTON,)
et al.,)
22 Defendants.)

23) DATE: September 7, 1994
GERALD ARMSTRONG,) TIME: 9:30 a.m.
24 Cross-Complainant,) DEPT: 1
25 vs.)

26 CHURCH OF SCIENTOLOGY)
INTERNATIONAL, a California)
27 Corporation, DAVID MISCAVIGE,) TRIAL DATE: Sept. 29, 1994
DOES 1 to 100,)
28 Cross-Defendant.)

1 INTRODUCTION

2 This case, which is presently set for trial on September 29,
3 1994, is a corollary collection action to a breach of contract
4 action brought by plaintiff Church of Scientology International
5 ("the Church"). The breach of contract action was filed in Marin
6 County on February 4, 1992. It was transferred to Los Angeles
7 County on March 24, 1992. On May 28, 1992, the Los Angeles
8 Superior Court entered a preliminary injunction prohibiting
9 Armstrong from committing certain acts in violation of the
10 Agreement. From March 23, 1993 until June 7, 1994, while
11 Armstrong appealed the injunction, the breach of contract case
12 was stayed. The injunction was upheld by the Court of Appeal on
13 May 16, 1994.

14 This fraudulent conveyance case was filed on July 23, 1993,
15 after plaintiff learned during discovery that the defendant had
16 transferred all of his assets, including real property located in
17 Marin County, shortly before he began to repeatedly breach the
18 Agreement.

19 On September 1, 1994, the Los Angeles Superior Court entered
20 an order transferring the case back to Marin Superior Court, so
21 that the two actions could be consolidated and tried together.
22 [Ex. A.] The parties, recognizing that the cases involve many
23 common questions of law and fact, now move to consolidate them
24 for all purposes before this Court. Because discovery is still
25 not completed in the Breach case (which was not due to be tried
26 in Los Angeles until November 7, 1994), the parties also seek a
27 new trial date for the larger, consolidated action.

28 ///

1 **CONSOLIDATION OF THE TWO CASES WOULD AVOID**
2 **UNNECESSARY COSTS AND DELAY**

3 Code of Civil Procedure Section 1048(a) provides that:

4 When actions involving a common question of law or
5 fact are pending before the court, it may order a joint
6 hearing or trial of any or all the matters in issue in
7 the actions; it may order all the actions consolidated
 and it may make such orders concerning proceedings
 therein as may tend to avoid unnecessary costs or
 delay.

8 In this case, the instant action cannot logically be tried
9 independently of the first action, Church of Scientology
10 International v. Armstrong, LASC No. BC 052395, Marin Number not
11 yet assigned ("the Breach case"). The Breach case alleges claims
12 against Armstrong and the Gerald Armstrong Corporation for breach
13 of contract, seeking liquidated and compensatory damages, and a
14 permanent injunction. This case seeks to invalidate transfers of
15 assets made by Armstrong to Michael Walton, the Gerald Armstrong
16 Corporation and others just prior to his long series of contract
17 breaches. In both actions, Armstrong admits that he breached the
18 Agreement, but claims that the Agreement violates public policy
19 and should not be enforced.

20 Recognizing that the cases presented many of the same
21 issues, the parties stipulated to transfer the Breach case to
22 Marin County so that they could be tried together. [Ex. B.]
23 Because the instant case deals with right and title to real
24 property located in Marin County, the cases could only be tried
25 together in Marin.

26 A single trial for both cases will ensure that the issues
27 concerning the contract's validity are only briefed once, and
28 that proof of the breaches of the contract need only be made

1 once.

2 Discovery is incomplete in the Breach case. The Church was
3 given permission to amend its complaint in that case to include
4 later breaches of the Agreement on March 14, 1994. Because
5 proceedings in the case were stayed, however, discovery
6 concerning these new matters was not re-commenced until June,
7 1994. Discovery is thus still ongoing in that case, and the
8 parties jointly request that a date be set for the trial of these
9 consolidated trials which will (1) enable the transfer of the
10 file from Los Angeles to Marin to be completed and (2) enable
11 them to complete discovery in the transferred action.

12 **CONCLUSION**

13 The parties jointly request that this Court consolidate the
14 two actions between them for all purposes, vacate the trial date
15 presently set in this case, and reset the trial of these
16 consolidated actions.

17 Dated: September 7, 1994

Respectfully submitted,

18 WILSON, RYAN, & CAMPILONGO

19
20 BY: _____

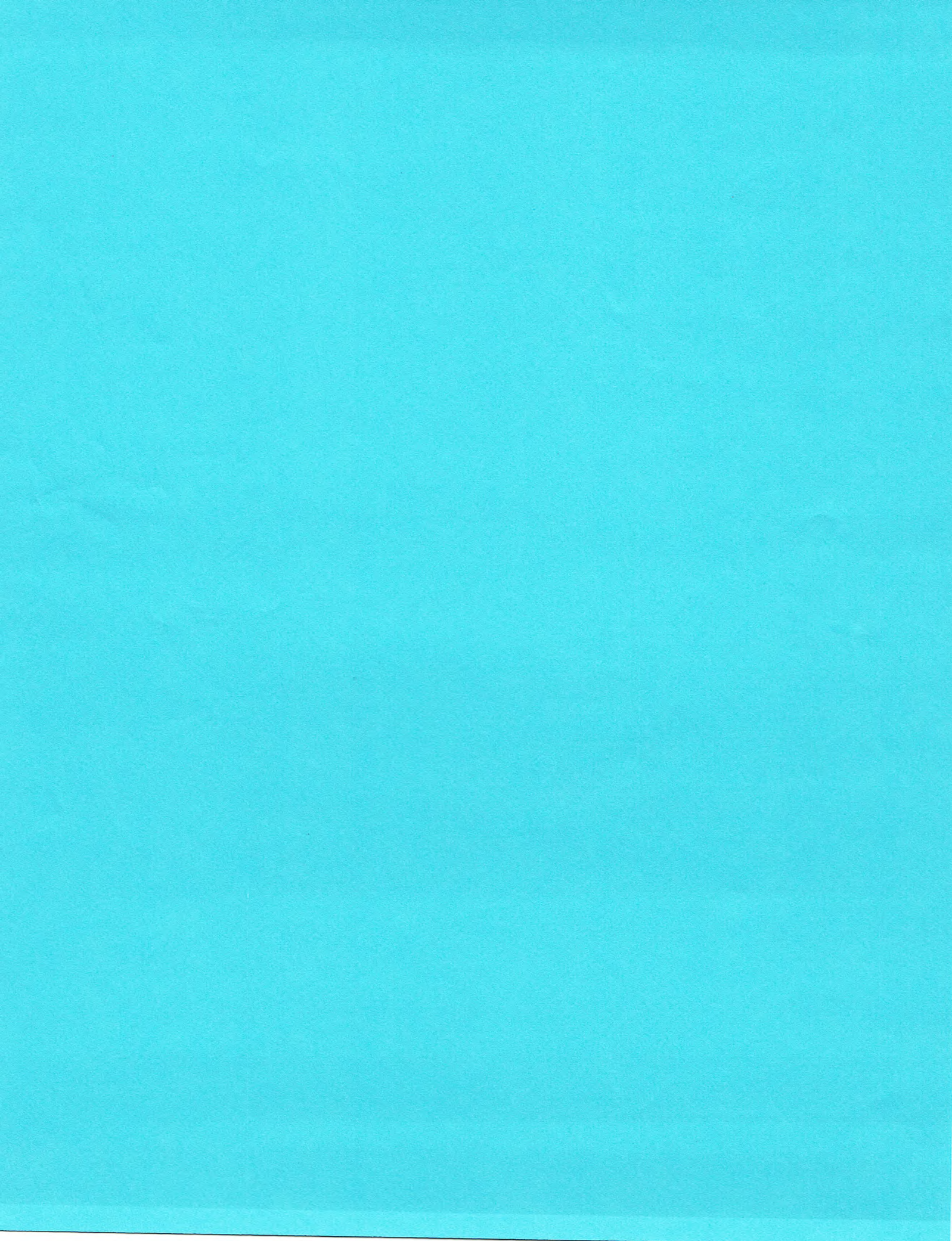
Andrew H. Wilson

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23 Attorneys for Plaintiff
24 CHURCH OF SCIENTOLOGY
INTERNATIONAL

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Ford Greene

27 Attorneys for Defendants
28 GERALD ARMSTRONG and GERALD
ARMSTRONG CORPORATION



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Attorneys for Plaintiff and
Cross-Defendant CHURCH OF SCIENTOLOGY
INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California not-
for-profit religious corporation,

Plaintiffs,

vs.

GERALD ARMSTRONG; THE GERALD
ARMSTRONG CORPORATION, a
California corporation; Does 1 -
25 INCLUSIVE,

Defendants.

AND RELATED CROSS-COMPLAINT.

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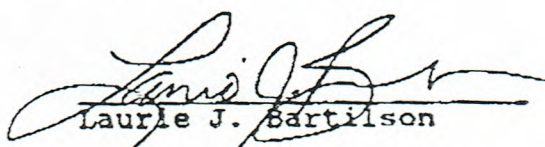
LOS ANGELES
SUPERIOR COURT

)
) CASE NO. BC 052395
)
) STIPULATION AND ORDER
) CHANGING VENUE
)
) [C.C.P. §397(c)]
)
) Hearing:
) DATE:
) TIME: 8:30 A.M.
) DEPT: 30
)
) TRIAL DATE: Nov. 7, 1994
) DISC. CUTOFF: Oct. 7, 1994
) MTN CUTOFF: Oct. 21, 1994
)
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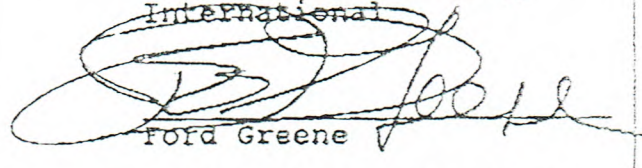
1 The parties agree that (1) the place of trial of this action
2 be changed to the Superior Court of Marin County for the purpose
3 of consolidation with the pending case of Church of Scientology
4 International v. Gerald Armstrong, et al., Marin County Superior
5 Court Case No. 157680; (2) payment of costs and fees of the
6 transfer be made by plaintiff Church of Scientology
7 International; (3) all orders previously entered in this action
8 shall remain in full force and effect before, during and after
9 the transfer and the Superior Court of Marin County shall be the
10 proper Court for enforcement of those orders; and (4) discovery
11 in the case shall continue while the transfer is pending.

12
13 Dated: August 18, 1994


Laurie J. Bartilson

Attorney for Plaintiff
Church of Scientology
International

14
15
16
17 Dated: August 18, 1994


Ford Greene

Attorney for Defendants
Gerald Armstrong and the
Gerald Armstrong
Corporation

22 ORDER

23 The parties having agreed, and good cause appearing,
24 IT IS ORDERED THAT:

- 25 1. Church of Scientology International v. Gerald
26 Armstrong, et al., Case No. BC 052395, be transferred to the
27 Superior Court of Marin County on payment by plaintiff, Church of
28 Scientology International, of all fees required by law.

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2. The court clerk transmit a certified copy of this order and all the pleadings and papers filed in this action to the clerk of the Superior Court of Marin County forthwith.

3. All orders previously entered in this action shall remain in full force and effect before, during and after the transfer and the Superior Court of Marin County shall be the proper Court for enforcement of those orders; and

4. Discovery in the case shall continue while the transfer is pending.

SEP - 1 1994

David A. Horowitz

Date: _____

Superior Court Judge

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